



Department of Justice

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JUSTICE DEPARTMENT ISSUES BUSINESS REVIEW LETTER

WASHINGTON, D.C. -- The Department of Justice today announced that it does not intend to challenge under the antitrust laws a proposal by the Halon Recycling Corporation (HRC) to establish an information exchange and marketing system.

HRC, headquartered in Washington, D.C., proposes to develop and establish a system to facilitate and encourage the recovery, recycling and transfer of halon-1301 so that it will be available for the most critical uses. Halon-1301 is a chemical compound used to suppress fires and explosions. The United States and approximately 100 other countries have agreed to phase out the production of halon-1301 to protect the ozone layer.

The Department's position was stated in a business review letter from Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, to counsel for HRC. Bingaman's letter stated that the proposed information exchange and marketing system, which has the support of the U.S. Environmental Protection Agency, does not appear likely to reduce competition or facilitate collusion among HRC members in the purchase or sale

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of recycled halon-1301. HRC's proposal does not require any potential buyer or seller to use its services, nor does it prohibit the formation of other similar programs.

The letter also stated that HRC had adopted a number of safeguards to protect against the possibility of anticompetitive behavior, such as confidentiality requirements for negotiations and competitively sensitive information.

Further, Bingaman's letter indicated the proposal should advance competition by establishing a market for recycled halon-1301, facilitating its efficient allocation to the most critical uses.

Under the Department's business review procedure, a person or organization may submit a proposed course of action to the Antitrust Division and receive a statement as to whether the Division will challenge the activity under the antitrust laws.

A file containing the business review request and the Department's response will be made available in the Legal Procedure Unit of the Antitrust Division, Room 3233, Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review request will be added to the file.

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